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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 25, 2001

APPLICATION OF

McLEODUSA TELECOMMUNICATIONS SERVICES OF VIRGINIA, INC.

CASE NO. PUC010057

For certificates of public convenience and necessity to provide local exchange and interexchange telecommunications services

FINAL ORDER

On April 20, 2001, McLeodUSA Telecommunications Services of Virginia, Inc. ("McLeodUSA" or the "Company"), completed an application for certificates of public convenience and necessity with the State Corporation Commission ("Commission") to provide local exchange and interexchange telecommunications services throughout the Commonwealth of Virginia. The Company also requested authority to price its interexchange telecommunications services on a competitive basis pursuant to § 56-481.1 of the Code of Virginia.

By Order dated May 25, 2001, the Commission directed the Company to provide notice to the public of its application, directed the Commission Staff to conduct an investigation and file a Staff Report, and scheduled a public hearing to receive evidence relevant to McLeodUSA's application. On June 27, 2001,

McLeodUSA filed proof of publication and proof of service as required by the May 25, 2001, Order.

On July 3, 2001, the Staff filed its Report finding that McLeodUSA's application was in compliance with the Rules Governing the Offering of Competitive Local Exchange Telephone Service ("Local Rules") and the Rules Governing the Certification of Interexchange Carriers ("IXC Rules"). Based upon its review of McLeodUSA's application, the Staff determined it would be appropriate to grant the Company certificates to provide local exchange and interexchange telecommunications services subject to the following condition: should McLeodUSA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with McLeodUSA and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.

A hearing was conducted on July 12, 2001. At the hearing, the application and accompanying attachments and the Staff Report were entered into the record without objection. No public witnesses appeared.

NOW THE COMMISSION, having considered the application and the Staff Report, finds that the Company should be granted certificates to provide local exchange and interexchange telecommunications services. Having considered § 56-481.1, the Commission further finds that the Company may price its interexchange telecommunications services competitively.

Accordingly, IT IS ORDERED THAT:

- (1) McLeodUSA Telecommunications Services of Virginia,
 Inc., is hereby granted a certificate of public convenience and
 necessity, No. TT-159A, to provide interexchange
 telecommunications services subject to the restrictions set
 forth in the Commission's Rules Governing the Certification of
 Interexchange Carriers, § 56-265.4:4 of the Code of Virginia,
 and the provisions of this Order.
- (2) McLeodUSA Telecommunications Services of Virginia,
 Inc., is hereby granted a certificate of public convenience and
 necessity, No. T-564, to provide local exchange
 telecommunications services subject to the restrictions set
 forth in the Rules Governing the Offering of Competitive Local
 Exchange Telephone Service, § 56-265.4:4 of the Code of
 Virginia, and the provisions of this Order.
- (3) Pursuant to § 56-481.1 of the Code of Virginia, the Company may price its interexchange telecommunications services competitively.

- (4) The Company shall provide tariffs to the Division of Communications that conform to all applicable Commission rules and regulations.
- (5) Should McLeodUSA collect customer deposits, it shall establish and maintain an escrow account for such funds, held in a Virginia office of a duly chartered state or national bank, savings and loan association or savings bank, or credit union that is unaffiliated with McLeodUSA and shall notify the Division of Economics and Finance of the escrow arrangement and any subsequent change. Any escrow arrangement established pursuant to this requirement shall be maintained until such time as the Staff or Commission determines it is no longer necessary.
- (6) There being nothing further to come before the Commission, this case shall be dismissed and the papers filed herein placed in the file for ended causes.